

## FEE AGREEMENT

December 27, 2018

\$125,000,000  
not to exceed aggregate principal amount of  
Public Utilities Commission  
of the City and County of San Francisco  
Commercial Paper Notes  
(Power Series)  
Series A-2 (Tax-Exempt)

Reference is hereby made to that certain Reimbursement Agreement, dated as of December 1, 2018 (as it may be amended and supplemented from time to time, the “Reimbursement Agreement”), by and between the Public Utilities Commission of the City and County of San Francisco (the “Commission”) and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “Bank”). Terms used herein without definition shall have the meanings assigned in the Reimbursement Agreement.

The purpose of this Fee Agreement, dated December 27, 2018 (this “Fee Agreement”), between the Commission and the Bank, is to confirm the agreement between the Commission and the Bank with respect to fees and other amounts payable to the Bank and to set forth certain other information with respect to the Letter of Credit and the Reimbursement Agreement. This is the Fee Agreement referenced in the Reimbursement Agreement, and the terms hereof are incorporated by reference into the Reimbursement Agreement as if fully set forth therein. The Commission and the Bank hereby agree that the Closing Date shall be the date hereof.

In consideration for and in order to induce the Bank to issue the Letter of Credit pursuant to the terms of the Reimbursement Agreement, the parties hereto agree as follows:

(a) Facility Fee. The Commission agrees to pay to the Bank on April 1, 2019 for the period commencing on the Closing Date and ending on March 31, 2019, and on the first Business Day of each April, July, October and January to occur thereafter, and on the Termination Date (each, a “Quarterly Payment Date”), a non-refundable facility fee (the “Facility Fee”), which shall be fully earned when due and nonrefundable when paid, based on the Rating (as defined below) corresponding to the Level set forth in the pricing matrix below, computed in arrears (on the basis of a 365 day year for the actual number of days elapsed per quarter) on the average daily Stated Amount of the Letter of Credit (without regard to temporary reductions thereof) at the rates per annum specified below (the “Facility Fee Rate”) from time to time in effect during each related period:

Level	S&P Rating	Fitch Rating	Facility Fee Rate
Level 1	A+ or above	A+ or above	0.35%
Level 2	A	A	0.55%
Level 3	A-	A-	0.80%
Level 4	BBB+	BBB+	1.30%
Level 5	BBB	BBB	2.00%

The following paragraph applies to each of the pricing matrices above. The term “Rating” as used above shall mean the long term unenhanced credit ratings assigned by any Rating Agency to any Senior Debt; provided, however, that if the long term unenhanced credit ratings assigned by any Rating Agency to any Senior Debt appear in more than one rating level, the term “Rating” as used above shall mean the lowest of the long term unenhanced credit ratings assigned by any Rating Agency to any Senior Debt. The Commission acknowledges, and the Bank agrees, that as of the Closing Date the Facility Fee Rate is that specified above for Level 1. Any change in the Facility Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as now determined by the Rating Agencies, and, in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration or realignment of the long term unenhanced credit ratings assigned by any Rating Agency to any Senior Debt in connection with the adoption of a “global” rating scale, each of the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that either (i) any long term unenhanced credit ratings assigned by any Rating Agency to any Senior Debt is suspended, withdrawn or otherwise unavailable from any Rating Agency, or reduced below “BBB” (or its equivalent) by Fitch or “BBB” (or its equivalent) by S&P, or (ii) upon the occurrence and during the continuance of an Event of Default, then the Facility Fee Rate otherwise in effect shall be immediately and without notice equal 3.00% per annum. The Facility Fees shall be payable in arrears as provided in the first sentence of this Paragraph (a), together with interest on the Facility Fees from the date payment is due until payment in full at the Default Rate, payable on demand and calculated as provided in such sentence.

(b) Drawing Fee. Upon each drawing under the Letter of Credit, the Commission agrees to pay to the Bank a Letter of Credit drawing fee of \$300, payable without any requirement of notice or demand by the Bank on the day on which such drawing is paid by the Bank.

(c) Transfer Fee; Amendment Fee. Upon each transfer of the Letter of Credit, the Commission agrees to pay to the Bank the sum of \$5,000 plus the reasonable fees and expenses of counsel to the Bank associated with such transfer, payable on the date of such transfer. Upon any amendment of the Letter of Credit, the Reimbursement Agreement or this Fee Agreement, or any amendment of any other Basic Document requiring action on the part of the Bank, the Commission agrees to pay to the Bank the sum of \$5,000 plus the reasonable fees and expenses of counsel to the Bank associated with such amendment, payable on the date of such amendment.

(d) Termination Fee. If the Letter of Credit terminates by its terms or is replaced, or the Stated Amount of the Letter of Credit is permanently reduced to zero, prior to the one (1) year anniversary of the Closing Date, the Commission shall pay to the Bank, upon such termination, replacement or reduction, a termination fee equal to the Facility Fee (based on an Stated Amount equal to the Original Stated Amount) for the full first one (1) year of the Letter of Credit at the Facility Fee Rate in effect as of the date of such termination, replacement or reduction, less the aggregate amount of Facility Fee theretofore paid, and shall also pay to the Bank, upon such termination, replacement or reduction, all other fees, expenses and other obligations payable hereunder, including, without limitation, all principal and accrued interest owing on the Bank Note; provided, however, that the Commission shall not be required to pay any termination fee to the Bank (i) if such termination, replacement or reduction is a result of any of the short-term credit ratings of the Bank being downgraded by Fitch to “F2” or below or by S&P to “A-2” or below, respectively, or (ii) if such termination, replacement or reduction is a result of additional amounts becoming due pursuant to Section 2.14 of the Reimbursement Agreement. All payments from the Commission to the Bank referred to in this paragraph (d) shall be made with immediately available funds.

(e) Reduction Fee. If the Letter of Credit is permanently reduced below the Original Stated Amount to an amount greater than zero prior to the one (1) year anniversary of the Closing Date, the Commission shall pay to the Bank, upon such reduction, a reduction fee in an amount equal to the product of (i) the Facility Fee Rate in effect as of the date of such reduction, (ii) the difference between the Stated Amount prior to such reduction and the Stated Amount after such reduction, and (iii) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the one (1) year anniversary of the Closing Date, and the denominator of which is 365, and shall also pay to the Bank, upon such reduction, all other fees, expenses and other obligations payable hereunder, including, without limitation, all principal and accrued interest owing on the Bank Note; provided, however, that the Commission shall not be required to pay any reduction fee to the Bank (i) if such reduction is a result of any of the short-term credit ratings of the Bank being downgraded by Fitch to “F2” or below or by S&P to “A-2” or below, respectively, or (ii) if such reduction is a result of additional amounts becoming due pursuant to Section 2.14 of the Reimbursement Agreement. All payments from the Commission to the Bank referred to in this paragraph (e) shall be made with immediately available funds.

(f) Expenses. Upon receipt of a written invoice by mail, the Commission will promptly pay (i) the reasonable fees and expenses of counsel (both foreign and domestic) to the Bank incurred in connection with the preparation, execution and delivery, and administration of the Reimbursement Agreement, the Letter of Credit, this Fee Agreement and the other Basic Documents, (ii) the reasonable out-of-pocket expenses of the Bank incurred in connection with the preparation, execution and delivery, and administration of the Reimbursement Agreement, the Letter of Credit, this Fee Agreement and the other Basic Documents, (iii) the fees and disbursements of counsel (both foreign and domestic) to the Bank with respect to advising the Bank as to the rights and responsibilities under the Reimbursement Agreement after the occurrence of an Event of Default, and (iv) all costs and expenses, if any, in connection with the administration and enforcement of the Reimbursement Agreement and any other documents which may be delivered in connection therewith, including in each case the fees and disbursements of counsel (both foreign and domestic) to the Bank. In addition, and

notwithstanding the foregoing, the Commission agrees to pay, after the occurrence of an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the Commission hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under the Reimbursement Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings. The obligations of the Commission under this paragraph (f) shall survive the termination of the Reimbursement Agreement.

(g) Payment Account. "Payment Account" shall mean the following account of the Bank (or at such other place as the Bank may specify by written notice to the Commission and the Trustee):

Citibank, N.A. New York  
ABA Number: 021-000-089  
F/O: Sumitomo Mitsui Banking Corp., New York Branch  
Account Number: 360-23-837  
Attention: Trade Credit Services Department  
Re: San Francisco Public Utilities Commission, LG/MIS/NY-142139  
Contact: (212) 224-4310

(h) Notices. All notices and other communications to the Bank provided for under the Reimbursement Agreement shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), telecopy, facsimile transmission, or regular mail, to the following addresses (or to such other address(es) of which the Bank shall notify the parties to the Reimbursement Agreement):

if to the Bank with respect to draws under the Letter of Credit, to:	Sumitomo Mitsui Banking Corporation, New York Branch 277 Park Avenue, 6th Floor New York, New York 10172 Attention: Trade Credit Services Department Telephone: (212) 224-4310 Facsimile: (212) 224-4566
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if to the Bank with respect  
to administrative matters,  
to:

Sumitomo Mitsui Banking Corporation,  
New York Branch  
277 Park Avenue, 4th Floor  
New York, New York 10172  
Attention: General Manager - Public and Infrastructure  
Finance Group  
Telephone: (212) 224-4859  
Facsimile: (212) 224-5227

With a copy to:

Sumitomo Mitsui Banking Corporation,  
New York Branch  
277 Park Avenue, 6th Floor  
New York, New York 10172  
Attention: Trade Credit Services Department  
Telephone: (212) 224-4310  
Facsimile: (212) 224-4566

(i) No amendment or waiver of any provision of this Fee Agreement, or consent to any departure by the Commission therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank and an Authorized Representative of the Commission, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The remedies herein provided are cumulative, and not exclusive of any remedies provided by law. To the extent of any conflict between this Fee Agreement, the Reimbursement Agreement, the Letter of Credit, and any other Basic Documents, with respect to the subject matter hereof, this Fee Agreement shall control solely as between the Commission and the Bank.

(j) Any provision of this Fee Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(k) (a) THIS FEE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO CONFLICTS OF LAWS PROVISIONS; PROVIDED THAT THE BANK'S OBLIGATIONS HEREUNDER SHALL BE GOVERNED BY, AND

CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PROVISIONS.

(l) This Fee Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Fee Agreement by signing any such counterpart.

(m) This Fee Agreement represents the final agreement between the parties hereto with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties hereto as to such subject matter.

(n) This Fee Agreement and the Reimbursement Agreement shall be construed as one agreement between the Commission and the Bank and shall be governed by the provisions of the Reimbursement Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

PUBLIC UTILITIES COMMISSION OF THE  
CITY AND COUNTY OF SAN FRANCISCO

By: \_\_\_\_\_  
Name: Harlan L. Kelly, Jr.  
Title: General Manager

Approved as to Form:

DENNIS J. HERRERA  
City Attorney of the City and County of San  
Francisco

By: \_\_\_\_\_  
Name: Mark D. Blake  
Title: Deputy City Attorney

Acknowledged:

ANNA VAN DEGNA  
Director of Public Finance of the City and  
County of San Francisco

\_\_\_\_\_  
Director of Public Finance

SUMITOMO MITSUI BANKING  
CORPORATION, acting through its New York  
Branch

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_